

## Did You Know....

By Clem Dougherty

Did you know... that the man known as “the sugar king of the West” started in San Francisco? Yes, it’s true. His name was Claus Spreckels born in Germany on July 9, 1828. In 1846, Claus emigrated to the United States with only 75 cents in his pocket, and he arrived in San Francisco in 1856 during the hurly-burly days of the early Gold Rush. In San Francisco he first operated a grocery store and then a brewery, but beginning in the 1860s it was “sugar” that became his life’s principal occupation, and that made him one of the richest men of the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. It is estimated that at its zenith, Claus’ financial empire expanded from sugar to include real estate, railroads, ships, and newspapers amounting to more than 15 billion dollars in today’s money.



Claus built his first sugar refinery in the manufacturing district south of Market St. at 4<sup>th</sup> and Brannan Streets, and soon the refinery outgrew the site. He moved further south of Market to Potrero Point where he built a larger refinery closer to the Bay.

The factory needed to be close to the Bay so as to unload the raw sugar cane from ships coming from Hawaii for refining in Claus' factory. Up until his time, grocery stores sold sugar primarily in loaves. But, ever looking for new ways to sell his product, Claus developed granulated and cube sugar at his refinery which he introduced into the United States from Europe. His sugar had a clean appearance of good quality and of a modest price which became an

instant hit in the American market place. In an effort to control the entire process from field to market, Claus bought his own 40,000 acre sugar cane plantation on the island of Maui. He then acquired his own fleet of ships by which he brought the raw sugar cane from Maui

to his refinery in San Francisco. Later his ships were the first to offer regular passenger service from San Francisco to Hawaii. At one time he controlled the entire sugar cane crop coming from Hawaii, and his San Francisco-Hawaiian based businesses soon made him a multimillionaire. But in 1905 rival sugar cane planters in Hawaii broke Claus' hold on the sugar cane market and opened a cooperative refinery in Crockett, California, which was named: The California and Hawaiian Sugar Company ("C&H"). Despite competition coming from across the Bay, Claus' San Francisco refinery continued in operation until 1951.

By 1905 Claus had begun looking at new ways to grow sugar and experimented with sugar beets rather than sugar cane on a ranch he had bought in Santa Cruz County. Returning from Europe where he studied methods to cultivate sugar beets, Claus then began purchasing land amounting to 66,000 acres in the Salinas Valley where he could grow sugar beets, and in 1896 he built near Watsonville what was then the largest sugar beet refinery in the United States. He also built a railroad to ship the sugar beets from the fields near Salinas to the refinery near Watsonville. Spreckels owned several different named corporations to operate his vast businesses, but it is at the refinery at Watsonville that he first

used the name: The Spreckels Sugar Company of which he was president.



Spreckels Sugar Company

During the 1880s and 1890s Claus also built several blocks of office buildings in San Francisco. He invested several million dollars to erect the “tallest building west of Chicago” named: “The Claus Spreckels Building.” It was 19 stories high and held 272 offices. Although it was built for the San Francisco Call, a newspaper owned by his son John Spreckels, the newspaper occupied only a small portion of the building. The rest was rented to individual office holders. The earthquake and fire of 1906 burned the inside of the building but left the outside structure intact. As a matter of local interest, a photo of the building appears on the bottom left of the 1904 map of California hanging on the inside door of the old Governor’s office in the State Capitol. Claus would invest heavily in rebuilding the city after 1906.

Claus was married to his childhood sweetheart Anna Mangels with whom he had 13 children, five of whom made it to adulthood: John Dietrich (1853-1926), Adolph Bernard (1857-1924), Claus August (1858-1946), Rudolph (1872-1958), and Emma (1869-1924). Claus’ family life was tumultuous in that two of his sons Claus August and Rudolph sued him over financial and other matters, and for a while his daughter Emma was estranged from him. Claus tried to restore good relations with his children by giving them gifts during his lifetime and providing for

them in his will. All became multimillionaires. However, upon Claus' death on December 26, 1908, and upon the death of his wife Anna in 1910, the children then sued one another to get a larger portion of his estate. Adolph would become the successor president of the Spreckels Sugar Company.

Claus Spreckels is important in California/San Francisco history in that he represents the type of industrialist that appeared on the American scene after the Civil War and provided the basis for the United States becoming the great industrial power of the 19<sup>th</sup> and early 20<sup>th</sup> centuries. People like John D. Rockefeller of Standard Oil, Andrew Carnegie of US Steel, and Stanford, Crocker, Hopkins, and Huntington of the Southern Pacific, these industrialists were strong, determined, sometimes ruthless men, strenuously opposed to government regulation, and willing to take great risks to reach their goals. Such was Claus Spreckels who helped San Francisco in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries become the great commercial center of the state.

Today the Spreckels family no longer owns the Spreckels Sugar Company, having sold their interests in 1963.

(Sources: Uwe Spiekermann, Claus Spreckels: A Biographical Case Study Of Nineteenth Century Immigrant Entrepreneurship, Business and Economic History, (on Line, pp.1-21); Claus Spreckels, Wikipedia, (on line, pp.1-4); Spreckels Sugar Co., Wikipedia, (on line, pp.1-2); Spreckels Sugar History, (on line pp.1-3))